



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 13-43)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 13-43 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: October 17, 2013.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

SEP 26 2013

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 13-43, concerning the Air Force's proposed Letter(s) of Offer and Acceptance to Japan for defense articles and services estimated to cost \$950 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

J. W. Rixey
J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 13-43

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Japan
- (ii) Total Estimated Value:

Major Defense Equipment*	\$355 million
Other	<u>\$595 million</u>
TOTAL	\$950 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: E-767 Airborne Warning and Control System (AWACS) Mission Computing Upgrade (MCU) that includes 4 Electronic Support Measure (ESM) Systems, 8 AN/UPX-40 Next Generation Identify Friend or Foe (NGIFF), 8 AN/APX-119 IFF Transponder, and 4 KIV-77 Cryptographic Computers. Also included are design and kit production, support and test equipment, provisioning, spare and repair parts, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering and technical support, installation and checkout, and other related elements of program support.
- (iv) Military Department: Air Force (QED)
- (v) Prior Related Cases, if any: N/A
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: **26 September 2013**

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Japan-Airborne Warning and Control System (AWACS) Mission Computing Upgrade (MCU)

The Government of Japan has requested a possible sale of an E-767 Airborne Warning and Control System (AWACS) Mission Computing Upgrade (MCU) that includes 4 Electronic Support Measure (ESM) Systems, 8 AN/UPX-40 Next Generation Identify Friend or Foe (NGIFF), 8 AN/APX-119 IFF Transponder, and 4 KIV-77 Cryptographic Computers. Also included are design and kit production, support and test equipment, provisioning, spare and repair parts, personnel training and training equipment, publications and technical documentation, U.S. Government and contractor engineering and technical support, installation and checkout, and other related elements of program support. The estimated cost is \$950 million.

This proposed sale will contribute to the foreign policy and national security of the United States. Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key ally of the United States in ensuring the peace and stability of this region. The U.S. Government shares bases and facilities in Japan. This proposed sale is consistent with U.S. objectives and the 1960 Treaty of Mutual Cooperation and Security.

The proposed sale will provide Japan with an upgraded AWACS command and control capability. This upgrade will allow Japan's AWACS fleet to be more compatible with the U.S. Air Force AWACS fleet baseline and provide for greater interoperability. Japan will use this enhanced capability to provide for its self-defense.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Boeing Integrated Defense Systems in Seattle, Washington. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require multiple trips to Japan involving U.S. Government and contractor representatives for modification kit installations, testing, technical reviews/support, and training over a period of eight years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 13-43

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
Of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

This sale will involve the release of sensitive technology to Japan.

1. The E-767 AWACS MCU is based on the US AWACS Block 40/45 upgrade. The new mission computing system, with Commercial Off-the-Shelf (COTS) equipment, significantly enhances the surveillance, identification, situational awareness and battle management capabilities of the AWACS. It will also provide on/off-board, multi-source integration that produces “one-target/one-track” automatic track initiation and combat ID, improved data link infrastructure and reduced operator workload.
2. The E-767 AWACS MCU will also add an Electronic Support Measure (ESM) capability using a derivative of the Boeing 737 AEW&C SE-200A System. JASDF will procure a classified emitter database, through a separate FMS case, to support this system. The emitter database is classified up to Secret.
3. The E-767 AWACS MCU will provide IFF Modes 4, 5 and Mode S capabilities with the AN/UPX-40 interrogator or a derivative. The AN/UPX-40 hardware and software will not be classified. Military article KIV-77 encryption device will be used with the AN/UPX-40. The key material will be classified Secret.
4. The E-767 AWACS MCU will improve identification by using a COTS Automatic Identification System (AIS), a VHF transceiver system to automatically track and identify marine vessels. AIS-produced tracks will be associated with the E-767 tracks; not used to update E-767 mission computer produced tracks.
5. The E-767 AWACS MCU will add a COTS Traffic Alert and Collision Avoidance System (TCAS) to the cockpit navigation system. TCAS alerts the pilot to the potential of loss of separation with other aircraft, using air traffic control radar beacon systems and the capabilities of Mode S transponders to coordinate with other TCAS equipped aircraft. In addition, the E-767 AWACS MCU will replace the current military IFF transponder with the AN/APX-119 digital transponder for IFF Modes 4/5/S. The KIV-77 encryption device will be used with the transponder. The key material will be classified Secret.
6. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop

countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

[FR Doc. 2013-24572 Filed 10/21/2013 at 8:45 am; Publication Date: 10/22/2013]